

How Does The AML/CFT Act Affect Me?

New Zealand has passed a law called the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“the AML/CFT law” for short). The purpose of the law reflects New Zealand’s commitment to the international initiative to counter the impact that criminal activity has on people and economies within the global community.

Recent changes to the AML/CFT Act mean that from 1 July 2018 legal staff must comply with its requirements. The law says law firms and other professionals must assess the risk they may face from the actions of money launderers and people who finance terrorism and must identify potentially suspicious activity.

To make that assessment, legal staff must obtain and verify information from prospective and existing clients about a range of things. This is part of what the AML/CFT law calls “client due diligence”.

Legal staff must also conduct client due diligence on the beneficial owners of its clients and any related parties who act on our clients’ behalf. The law classifies a beneficial owner as any person that owns greater than 25% of a client, or someone that has effective control of a client.

CLIENT DUE DILIGENCE REQUIREMENTS

Client due diligence requires a law firm to undertake certain background checks before providing services to clients. Legal staff must take reasonable steps to make sure the information they receive from clients is correct, and they need to ask for documents that show this.

We will need to obtain and verify certain information from you to meet these legal requirements. This information includes:

- your full name;
- your date of birth; and
- your address.

If you are seeing us about company or trust business, we will need information about the company or trust, including the people associated with it (such as directors and shareholders, trustees and beneficiaries). You may be required to provide information to confirm the structure of the entity (such as corporate information, partnership documents, trust deeds etc).

Information confirming the source of funds or wealth for a transaction may be necessary to meet the legal requirements.

We use the services of First AML who is a specialist outsourced service provider to conduct CDD. First AML will be in touch with you directly to attend to the electronic verification process that is required for your particular transaction. We will obtain your authority for First AML to contact you for this purpose. See the section “Further Information” for a link to the First AML Privacy Policy.

IF YOU CANNOT PROVIDE THE REQUIRED INFORMATION

If we are not able to obtain the required information from you, it is likely we will not be able to act for you. Because the law applies to everyone, we need to ask for the information even if you have been a client of ours for a long time.

Please contact the staff member who will be undertaking your work, if you have any queries or concerns.

FURTHER INFORMATION

First AML Privacy Policy

<https://www.firstaml.co.nz/security/#privacy>

Anti-Money Laundering and Countering Financing of Terrorism Act 2009

<http://www.legislation.govt.nz/act/public/2009/0035/latest/DLM2140720.html?src=qs>

Anti-Money Laundering and Countering Financing of Terrorism (Definitions) Regulations 2011

<http://www.legislation.govt.nz/regulation/public/2011/0222/latest/whole.html>

Identity Verification Code of Practice 2013

<https://fma.govt.nz/assets/Reports/131201-identity-verification-code-of-practice-aml-cft.pdf>

Beneficial Ownership Guidelines

[https://www.dia.govt.nz/Pubforms.nsf/URL/AMLCFT_BeneficialOwnershipGuideline_Dec2017.pdf/\\$file/AMLCFT_BeneficialOwnershipGuideline_Dec2017.pdf](https://www.dia.govt.nz/Pubforms.nsf/URL/AMLCFT_BeneficialOwnershipGuideline_Dec2017.pdf/$file/AMLCFT_BeneficialOwnershipGuideline_Dec2017.pdf)